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NEWS RELEASE

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Trust Fund Investment Program Results in Criminal Plea

Kerry Smith claimed money would be in a trust fund bank and earn 10% in three months. . .

SALT LAKE CITY, Utah – Kerry Rex Smith, of Utah County, pleaded today to a second degree felony charge of securities fraud. Three other counts were dismissed as part of the plea agreement. Smith pleaded “no contest” to the charge.

Smith was charged in March 2004 with four counts: selling unregistered securities, selling securities without a license, and securities fraud in connection with two investment offerings. According to the criminal pleadings, Smith took \$20,000 from an investor in 1999, saying several small investors were needed to pool their money together. The money would be deposited in a bank and left there. Smith told the investor the money held in the bank would be invested and the investor would earn 10% return in three months or less.

Smith had told the investor that he was a licensed broker and that he had been involved in other financial deals. The money was to be held in a trust fund named “TecPro Financial Group.”

In fact, Smith had never been licensed as a securities broker. The money deposited into the TecPro account was used to pay other investors and to pay personal expenses. Within four months, all the money was gone.

Smith will be sentenced on March 26, 2007.